

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
LEGISLATIVE COMMITTEE**

**MINUTES
MEETING OF NOVEMBER 12, 2006**

At 5: 09 P.M. Chairwoman Deborah Gordon called the meeting to order in the Second Floor Auditorium at the San Mateo Transit District Office.

Committee Members Attending:

Deborah Gordon, Chair (C/CAG Member - Town of Woodside)
Tom Kasten, Vice Chair (C/CAG Member - Hillsborough)
Marc Hershman (C/CAG Member - City of Millbrae)
Irene O'Connell (C/CAG Member- City of San Bruno)
Linda Koelling (C/CAG Member - Foster City)
Rosalie O'Mahony (C/CAG Member - City of Burlingame) - arriving at 5:15 PM
Sepi Richardson (C/CAG Board Member - City of Brisbane)

Guests or Staff Attending:

Richard Napier (C/CAG Executive Director)
David Burruito (Senator Leland Yee's Office)
Jim Bigelow (CMEQ Committee)
Brian Moura (Assistant City Manager - San Carlos)
Wes Lujan (Advocation)- by conference call
Chuck Cole (President of Advocation)- by conference call
Sandy Wong (C/CAG Staff, Transportation Systems Coordinator)
Nancy Blair (C/CAG Staff, Administrative Assistant)
Brian Lee (Deputy Director Engineering and Resource Protection, SMC DPW)
Diana Shu, (C/CAG Staff, SMC DPW)

1. Public comment on items not on the agenda.

None.

2. Approval of minutes from November 9, 2006.

Quorum: minimum 5 voting members present

Motion:

Marc Hershman moved to approve the minutes as shown.

Tom Kasten seconded the motion.

Motion passed 6-0.

3. Briefing from C/CAG's Lobbyist in Sacramento (via conference call).

Wes Lujan reported on the following:

- a) Governor's Administration
 - 1. Chris Kahn, Chief of Staff and Deputy Legislative Secretary. Strong background with local government and lots of relationships in the private sector. Chris is a great guy, open minded, approachable and an active participant in the League of Cities.
 - 2. Cynthia Bryant, Deputy Chief of Staff and Director of the Governor's Office of Planning and Research, lead negotiator on tribal gaming issues, strong supporter of local agencies.
 - 3. Dan Dunmoyer, Deputy Chief of Staff and Cabinet Secretary, very positive and knowledgeable, will be excellent in this new capacity.
- b) Of the 48 legislators who are new to their positions, 34 are first-time state lawmakers, five are returning to the Legislature after a brief hiatus and eight have switched houses.¹ Overall, the majorities supporting local government issues are great in both houses: over 40 plus members in the Assembly come from local government of which a majority of those are from City governments; similarly for the Senate.
- c) Overview of the upcoming year in Legislation:
 - 1. The politics of the deficit are going to be huge. How will the Governor fund the \$5 Billion deficit without raising taxes? Expect intense budget negotiations and delays on budget approval this coming year. The incoming Republicans are fiscally conservative; more focused on locking onto fiscal issues than on legislation...have an ideological bent and therefore will tend to focus on the broader issues.
 - 2. Healthcare- Senator Perata's Plan²,ⁱ hopes to insure approximately 2/3 of the uninsured in California; it is one of the highest policy priorities for this administration.
 - 3. Bond Implementation: Transportation and Resources. Senator Alan Lowenthal was addressing the public on where the funds should be spent. However, the debt to service ratio is around 6% which leaves around \$6 to \$7 billion per year to be spent for transportation related projects (Voter's Guide for Proposition 1B estimated a \$19.9 billion bond revenue after expenditures³).
 - 4. Other hot spots for 2007 will be:
 - a) Retiree Health Benefits
 - b) Teacher's Pension.
 - c) Unions and Tribal Gaming labor
 - d) State water storage

¹ <http://www.calchamber.com/CC/Headlines/PublicAffairsPolitics/12042006TS.htm>

² http://www.sacbee.com/static/weblogs/insider/archives/2006_12_12.html

³ <http://voterguide.ss.ca.gov/props/prop1b/prop1b.html>

- e) Housing
 - f) AB 32 implementation
5. Land Use and Eminent Domain – debate will return to the legislation. General fear from public is that the government will take away their homes.
6. General Fund will get the hit and programs that are not set in stone will be hit the hardest. Franchise Tax Board and Board of Equalization are going after legitimate revenues that were owed the state but not collected. Housing is getting soft, sales taxes are expected to be flat, likewise for income taxes. Don't expect any soft landings from Dot.coms.
- a) Tribal gaming deal is still tied up in the courts. \$1 billion due to transportation
7. Proposition 1A⁴ - revenues from Prop 42 guaranteed by the passing of Prop 1A in November 2006. The funds may be borrowed by the state but would need to be repaid after 3 years and cannot be borrowed more than twice in 10 years. If borrowed, then the funds will not be available to the cities and counties for that budget year.
8. State refinanced bonds a few years ago using Prop 57 and 58⁵ which helped to reduce the debt by reducing the interest rates and through early repayment of obligations. However with the requirements of GASB Statement 45⁶ requiring employers to report retiree benefits (post employment benefits other than pensions) there is the strong possibility that the State will receive lower bond ratings than in prior years. Expect benefits from Prop 57 and 58 will be reduced in future years.
- d) C/CAG Legislative Action Items
1. Reauthorization of AB 1546 (Simitian) Vehicle Fees– current bill sunsets in 2008. Need to extend the bill to 2018. Highest priority.
 2. Abandoned Vehicle Abatement⁷ - current language needs clarification: *“The money received by an authority pursuant to Section 9250.7 and this section shall be used only for the abatement, removal, and disposal as a public nuisance of any abandoned, wrecked, dismantled, or inoperative vehicle or part thereof from private or public property.”* If current interpretation includes the requirement to dispose of the vehicle, then it

⁴ <http://voterguide.ss.ca.gov/props/prop1a/prop1a.html>

⁵ http://voterguide.ss.ca.gov/voter_info/over_statedebt.html

⁶ <http://www.gasb.org/news/nr080204.html>

⁷ <http://www.dmv.ca.gov/pubs/vctop/d11/vc22710.htm> and http://www.dmv.ca.gov/pubs/vctop/d03/vc9250_7.htm

would be better to amend the bill or remove the bill as it would not be cost effective for the local agencies to disposal of the abandoned vehicles using the current \$2 per vehicle service fee. Financial impact to San Mateo County is potentially \$600,000 per year. (**Action for Wes Lujan to follow up**).

3. Stormwater Mitigation, “ACA 13” and Stormwater Flood Management – shift away from fee authorization and focus on funding in Prop 1E and Prop 84 in order to maximize dollars. Assemblyman Ira Ruskin is the Chair for Assembly Budget Subcommittee on Resources⁸, Senator Simitian⁹ is Chair of Senate Environmental Quality which deals with budget and policy for resource and environmental issues. San Mateo in a unique position to influence positions on stormwater and environmental funding during this legislative session. Senator Yee supports San Mateo (we are waiting on his committee assignments), and Assemblyperson Fiona Ma is the Minority Whip.

- e) Communications with Legislators – now is the time to prep local elected delegation on C/CAG priorities:
 1. Need one letter outlining transportation infrastructure issues. (**Action for Richard Napier**)
 2. Need another letter discussing where CCAG would use the Prop 1A and Prop 84¹⁰ funds. (**Action for Richard Napier**)

4. Review and approval of State Legislative Priorities for the 2007 Legislative Session

It was suggested that the priorities be organized into the following categories:

- Protection of Revenues
- Maintain Costs
- Increase Revenues Sources
- Other Issues

Committee recommends that priorities be modified as listed below:

Old Objective #s	Description	New Objectives #s
1	NPDES	1
2	Protect diversion of local revenues	2
5	Protect against increase in costs	3
6	Support lowering 2/3 super majority	4
3	Transportation Funding	5
8A	State budget (first four items)	6
8 B	Retirement (last four items)	Not ranked
4, 7, 9, 10	All others	Not ranked

⁸ <http://democrats.assembly.ca.gov/members/a21/>

⁹ <http://www.senatorsimitian.com/default1.htm>

¹⁰ <http://voterguide.ss.ca.gov/props/prop84/prop84.html>

Staff recommends that Board consider maximizing funding of project through existing legislation mechanisms rather than pursue new legislation which may take as many as ten years to charter.

Current Proposition 1B work has already been started in order to maximize funding and to meet the various deadlines dictated by the bill. MTC and Caltrans has CCAG priority projects on their project review list.

Richard Napier to build a matrix for the various funding programs that clearly defines the opportunities, deadlines, and whether or not additional legislation is required. (**Action for Richard Napier**)

Motion:

Marc Hershman moved to approve the priorities with change as noted above.

Tom Kasten seconded the motion.

Motion passed 6-0.

5. Review and approval of an amendment to the agreement with Advocacy, Inc. to provide Lobbying services during the 2007 Legislative Session for an amount of \$72,000.

Staff recommends that the committee approve a resolution to extend the contract another year.

In an effort to reduce staff time and minimize double duty, staff will direct Advocacy Inc. to screen the bills ahead of time and provide analysis and recommendations for the committee for the upcoming legislative session. Overall committee is satisfied with the work done by Advocacy but plan to move forward with a RFP in the sixth year as directed by board policies.

Motion:

Irene O'Connell moved to move the contract for a one-year extension for Advocacy, Inc. for the contract amount of \$72,000 to the board.

Tom Kasten seconded the motion.

Motion passed 7-0.

6. Review and approval of Legislative Scorecard

Analysis of the voting record for Simitian, Yee, Speier, Ruskin and Mullin, in the 2005-2006 legislative session included only the yes and no votes. Absent votes were not counted in the total score, however raw scores are included for information only.

Committee requested that the scorecard for the 2003-2004 legislative scorecard be included for comparison in order to determine overall voting trends. (Action for Diana Shu)

Motion:

Irene O'Connell moved to approve scorecard

Tom Kasten seconded the motion.

Motion passed 7-0.

7. Possible C/CAG Advocation at Federal Level

County of San Mateo and SamTrans currently share MARC Associates, a lobbyist at the federal level of legislation. Committee would like to know how a federal lobbyist can help local agencies and whether or not allocating resources to this activity could be justified.

Action items for Diana Shu:

- a) Ask other cities to give us their input and opinions on how they use MARC and what has been their experience. Current client lists shows very few cities.
- b) Setup meeting with MARC Associates, Mary Macmillan, to discuss the possibility of working on local government issues at the Federal level.

8. Establish date and time for next meeting (January 11, 2007)

The next regularly scheduled meeting for the Committee will be on Thursday, January 11, 2007 at 6:00 PM, Second Floor Auditorium at the San Mateo Transit District Office.

9. Other items/Comments from Guests

David Burruto – agrees with Wes on the Health Care and Pension issues. He believes that the deficit will take center stage. He believes that this will be a fairly active session. Senator Yee is currently on the GO (Governmental Organization) Committee, however, Senate Committee assignments have not been finalized.

\$4.5 billion in unclaimed assets and a lot belongs to government. State Controller's Office¹¹ website has listing of unclaimed assets however, the database has many errors which hinders the search.

10. Adjournment.

The meeting was adjourned at approximately 5:50 P.M.

¹ [Here](#) is a link to the summary and supporting documents for Sen. Perata's health care proposal, unveiled a few hours ago. Perata is proposing a plan he says would cover about two-thirds of the uninsured, namely all those working legally in California. He specifically omits coverage of illegal immigrants. The plan includes an individual mandate enforced through the tax code and subsidies financed by payroll taxes on employers who don't provide insurance. The amount of the tax has yet to be determined. Individuals would be able to buy coverage through a statewide pool and would not be denied because of pre-existing conditions. Small employers could also buy coverage for their workers through the pool.

¹¹ <http://www.sco.ca.gov/col/ucp/index.shtml>